



Ref: Cherry Hospital. Final term

Important Notice, Please Read Carefully

September 9, 2008

Mr. Jack St. Claire, Director
Cherry Hospital
2801 Stevens Mill Road
Goldsboro, North Carolina 27530

Re: Termination of Medicare Agreement
CMS Certification Number: 34-4003

Dear Mr. St. Claire:

Your facility was notified in a letter from the Centers for Medicare and Medicaid Services (CMS), dated August 13, 2008, that the Medicare provider agreement between Cherry Hospital and the Secretary of the Department of Health and Human Services would be terminated on September 1, 2008, if your facility failed to obtain substantial compliance. A follow-up and full survey review by the North Carolina State Survey Agency identified continued noncompliance and an ongoing immediate threat to patients' health and safety. Please see the enclosed state of deficiencies.

By copy of this letter, we are notifying all interested parties including your Medicare fiscal intermediary, State Medicaid Agency and the North Carolina State Survey Agency of this final action. You may reapply for participation in the Medicare Program.

The Medicare Program will not make payment for inpatient services furnished to patients who are admitted on or after September 1, 2008. Payment may continue to be made for a maximum of 30 days for inpatient services furnished on or after September 1, 2008. You should submit a list of names and Medicare claim numbers of any beneficiaries in your hospital to your fiscal intermediary.

If you believe that this termination decision is incorrect, you may request a hearing before an Administrative Law Judge (ALJ) at the Departmental Appeals Board, Department of Health and Human Services. Procedures governing this process are set out in section 42 CFR 498.40, et seq. A written request for the hearing must be filed not later than 60 days after the date of receipt of your August 13, 2008 letter. Such a request may be made to the following address:

Ms. Sandra M. Pace
Associate Regional Administrator
Centers for Medicaid and Medicare Services
61 Forsyth Street, SW, Suite 4T20

Atlanta, Georgia 30303-8909

We will forward your request to the Departmental Appeals Board. The request for a hearing should state why CMS's decision is considered incorrect, and should be accompanied by any evidence and arguments you may wish to bring to the attention of the Department of Health and Human Services. Evidence and arguments may be presented at the hearing, and legal counsel may represent you.

If you have any questions concerning this matter, please contact Janetta Booker at (404)562-7343.

Sincerely,

/s/

Sandra M. Pace
Associate Regional Administrator
Division of Survey and Certification